GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:134
ANSWERED ON:09.08.2011
LEAKAGES IN PDS
Chauhan Shri Sanjay Singh;Muttemwar Shri Vilas Baburao

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether some agencies including the World Bank and the Planning Commission have indicated large scale corruption and leakages in the Public Distribution System (PDS)/Targeted Public Distribution System (TPDS) thereby limiting its benefits to a small percentage of the population;

(b) if so, the details thereof and the reaction of the Government thereto;

(c) whether the Union Government monitors the action taken by the State Governments in regard to complaints, deficiencies and irregularities committed in the implementation of PDS/TPDS in their respective States;

(d) if so, the details thereof; and

(e) the other steps taken to curb corruption/irregularities in the working of PDS/TPDS?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (e): A Statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO. 134 DUE FOR ANSWER ON 09.08.2011 IN THE LOK SABHA

(a) to (e): Evaluation studies of Targeted Public Distribution System (TPDS) have been done by several agencies including the Planning Commission and World Bank. As per the report of the Programme Evaluation Organisation (PEO) of the Planning Commission on Performance Evaluation of TPDS (2005), the implementation of TPDS is hampered due to targeting errors, prevalence of bogus cards and diversion of foodgrains from the supply chain. The World Bank has prepared a report titled 'Social Protection for a Changing India' (2011), which deals with key safety net, social assistance and social security programmes including the Public Distribution System (PDS). The report indicates that there is a gap between the release of foodgrains by the Food Corporation of India (FCI) and the offtake of foodgrains by the households, which is due to leakages/diversion of allocated foodgrains.

TPDS is operated under the joint responsibility of Central Government and State/UT Governments. The Central Government is responsible for procurement, allocation and transportation of foodgrains upto the designated depots of the FCI. The operational responsibilities for lifting and distributing the allocated foodgrains within the States/UTs, identification of eligible BPL families, issuance of ration cards to them and supervision over distribution of allocated foodgrains to eligible card holders through the Fair Price Shops (FPSs) are of the State/UT Governments.

Government closely monitors the action taken by State/UT Governments in respect of irregularities noticed in the implementation of TPDS. Complaints as and when received by Government from individuals and organizations, as well as through press reports are sent to the concerned State/UT Governments for inquiry and action. During the year 2010, 174 complaints relating to implementation of TPDS were received, which have been sent to the States/UTs. Government also regularly issues advisories to State/UT Governments and reviews their performance during meetings and conferences. Periodic reporting has been prescribed and utilization certificate for the foodgrains allocated are obtained from the State/ UT Governments.

Strengthening and streamlining of TPDS is a continuous process. In consultation with the State/UT Governments, a Nine Point Action Plan was evolved in 2006, which inter-alia includes continuous review of BPL/AAY list and to eliminate bogus/ineligible ration cards along with strict action to be taken against the guilty to ensure leakage free distribution of foodgrains. To improve functioning of TPDS, States/UTs have also been advised to ensure timely availability of foodgrains at FPSs, greater transparency in functioning of TPDS, improved monitoring and vigilance at various levels and introduction of new technologies such as Computerization of TPDS operations at various levels.